GOVERNMENT OF INDIA
LABOUR
LOK SABHA

UNSTARRED QUESTION NO:3391
ANSWERED ON:18.08.2003
CONTRACT SYSTEM IN MULTINATIONAL COMPANIES
TUFANI SAROJ

Will the Minister of LABOUR be pleased to state:

(a) whether the practice of contract system in the factories has increased in the country;

(b) if so, whether it is proving harmful to the workers;

(c) if so, the steps being taken by the Government to check this system;

(d) whether this system has also made its way into the Multi-national companies operating in India; and

(e) if so, the remedial steps being taken by the Government?

Answer

MINISTER OF STATE FOR LABOUR AND PARLIAMENTARY AFFAIRS (SHRI SANTOSH GANGWAR)

(a) & (d): The Government is aware that contract labour system is prevalent in the factories and Multi National Companies in India. A majority of these establishments come within the jurisdiction of State Governments. However, no specific survey has been conducted to ascertain whether contract system in the factories has increased.

(b), (c) & (e): It can not be said with certainty whether the effects of this practice has been harmful or otherwise to the workers. However, the interests of the contract workers are protected by the Contract Labour (Regulation and Abolition) act, 1970 and the rules made thereunder. The Act provides for abolition of the contract labour system, wherever necessary, under certain circumstances and regulates the working conditions of contract labour, wherever, it has not been abolished. Several notifications have been issued by both the Central and State Governments, prohibiting employment of contract labour in various jobs/works/processes.